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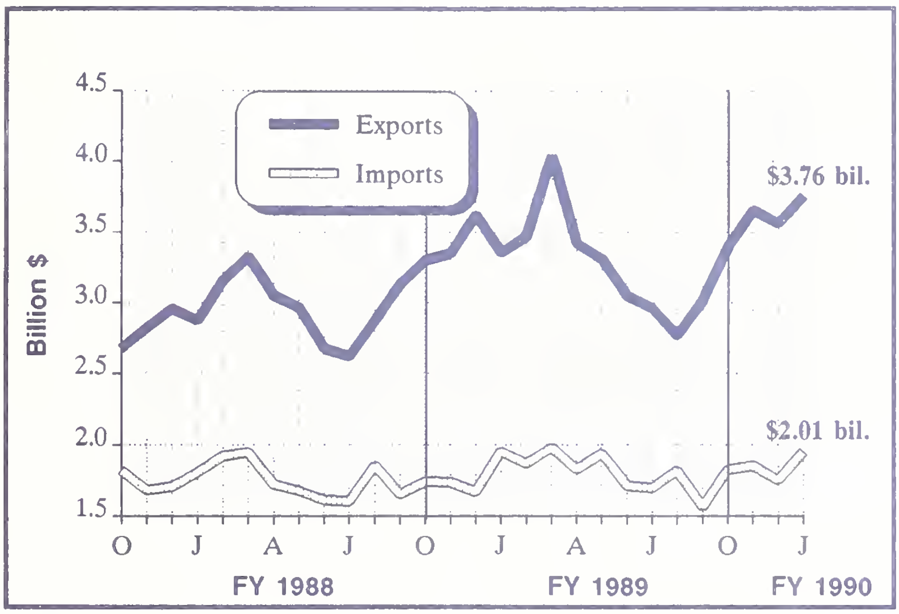
AGRICULTURAL TRADE HIGHLIGHTS

January Exports Rise to $3.76 Billion, Second Highest in Over Five Years



January trade data released by the Commerce Department on March 20 placed U.S. *agricultural exports* at $3.76 billion. This figure was up $399 million, or 12 percent, from a year ago and was the second highest monthly value figure since March 1984. January's performance brought the cumulative export total (October-January) for fiscal 1990 to $14.4 billion.

Gains were broad-based with robust growth in several commodity categories. These included corn, feeds and fodders, corn gluten feed, cotton, planting seeds, poultry meat, beef and veal, hides and skins, fruit juices, fresh and processed vegetables, processed fruits, and fresh melons. Gains in these commodities more than offset value declines in a few items such as wheat, soybeans, soy products, and dairy products.

At $767 million, the European Community (EC) was the leading U.S. market for the month, followed by Japan at $686 million, the Soviet Union at $338 million, and Canada at $322 million. Compared with last January, the United States showed sales increases in seven of the top ten markets for U.S. farm products.

Of particular note is Canada, with a sales increase of $200 million. Beginning in January 1990, the U.S. Bureau of the Census began using Canadian import statistics to adjust its export statistics to account for unreported U.S. shipments to Canada. This change in reporting explains much of the increase in sales to Canada for the month.

Agricultural imports in January totaled $2.01 billion, up $259 million from December's total and $65 million from January 1989. This brought the import total for the first 4 months of fiscal 1990 to $7.44 billion, compared with $7.10 billion for the same period a year ago.

The *agricultural trade surplus* of $1.75 billion was down $65 million from December's figure but up $342 million from last January. The cumulative agricultural surplus now stands at $6.92 billion, compared with $6.52 billion last year.

On February 27, the second quarterly fiscal 1990 forecast for U.S. agricultural trade was released. Adjustments included $500 million increases in the value estimates of both agricultural exports and imports, to $38.5 billion and $21.5 billion, respectively. The forecasted agricultural trade surplus remained unchanged from the previous estimate of $17 billion.

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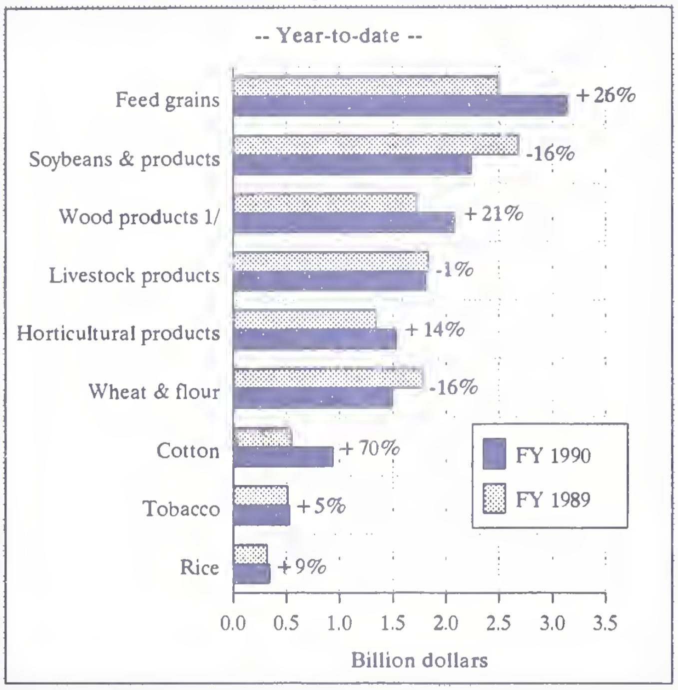

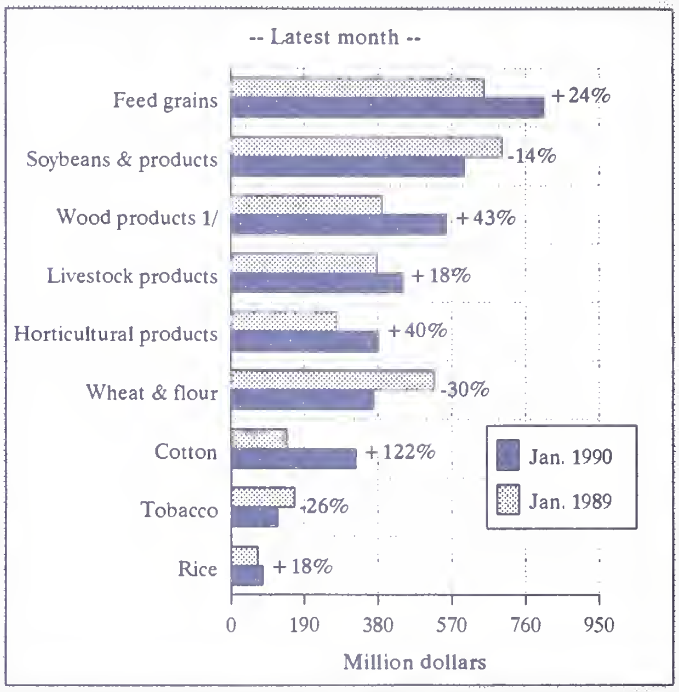

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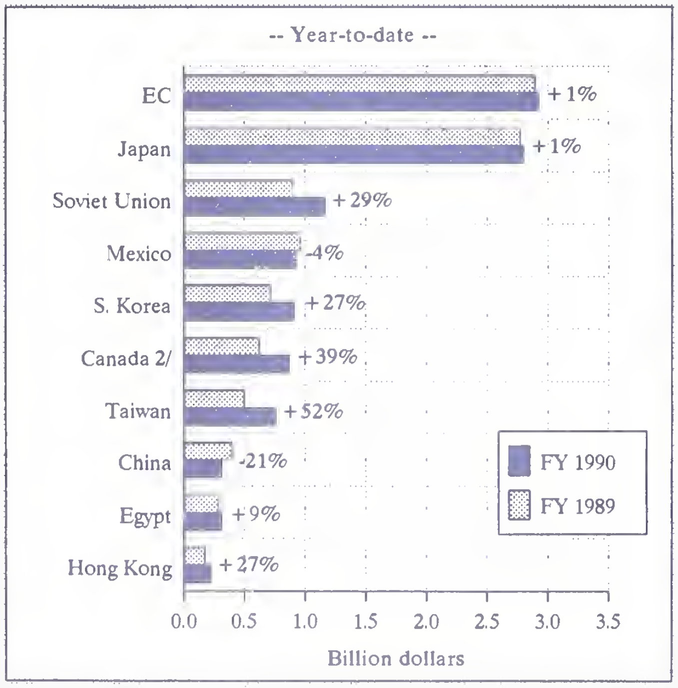
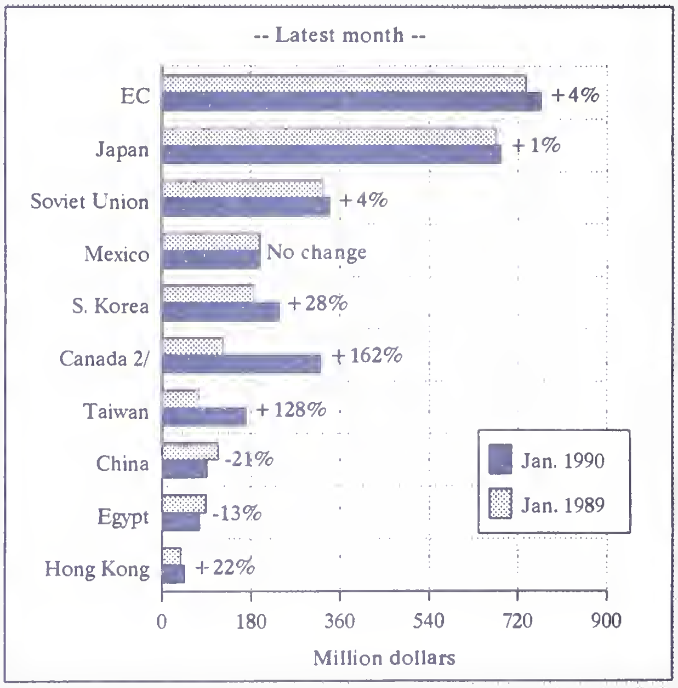




Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals. 2/ U.S. agricultural exports to Canada have been underreported in past years by about $1 billion a year and officially recognized by both Governments. Effective January 1990, the U.S. Bureau of the Census began adjusting U.S. export statistics to account for these differences.

Commodity Highlights

Most export commodities and markets recorded sales advances during the month of January, resulting in an overall value gain of 12 percent to $3.8 billion from a year ago. For the first four months of fiscal 1990, agricultural exports rose 5 percent to $14.4 billion. Sizable gains were noted in horticultural products, cotton, and wood products.

U.S. *wheat and flour* exports, which have been declining in both value and volume for the past 2 months, dropped again in January. Export value plummeted 30 percent to $369 million while volume fell 31 percent to 2.2 million metric tons. For the first 4 months of fiscal 1990, the value has dropped 16 percent to $1.5 billion and volume has declined 20 percent to 9.1 million metric tons. Lower exports to Egypt, China, Japan, and Pakistan accounted for much of this decline.

In contrast, January's exports of *feed grains* showed substantial gains in both value and volume, with increases of 24 percent to $809 million and 34 percent to 7.1 million tons from last January. For the year-to-date, export value has increased 26 percent while volume has gained 40 percent compared with the same period in 1989. Sharp sales increases were noted to the Soviet Union, Mexico, Taiwan, South Korea, and Poland.

Sluggish prices for *soybeans and soybean products* led to a 14-percent drop in export value from year-ago levels and a 16-percent decline for cumulative-to-date totals. Substantial shipment increases to Taiwan and the Soviet Union were not enough to offset large export losses to the EC, Japan, South Korea and Mexico.

Tight exportable *cotton* supplies in China, Pakistan and Egypt are combining with strong foreign demand to provide a buoyant market for U.S. cotton this year. Cotton sales in January were up 122 percent in value and 76 percent in volume from a year ago. Cumulative exports also showed robust gains, rising 70 percent in value to $937 million and 43 percent in volume to 581,000 tons. Top U.S. markets were Japan, the EC, South Korea, China, and Indonesia.

Unmanufactured tobacco exports for the month were down 26 percent in value and 22 percent in volume from a year ago. This was attributable to a significant decline in tobacco imports by major importers such as Japan and Taiwan. However, cumulative export figures are running ahead of 1989 levels, with value up 5 percent to $535 million and volume up 9 percent to 90,000 tons. In addition to the countries mentioned above, Hong Kong, the EC, Thailand, and the Dominican Republic are also major importers of U.S. unmanufactured tobacco.

Compared with last January, U.S. *rice* exports made a strong showing, rising 18 percent in value to $82 million and 6 percent in volume to 246,000 tons. For the first 4 months of fiscal 1990, export value expanded 9 percent to $345 million, while volume rose 2 percent to 1.1 million tons. Sizable export gains to Mexico, Peru, Turkey, and the Dominican Republic compensated for losses incurred in Iraq and Indonesia. The leading U.S. rice markets are the EC, Peru, Mexico, Iraq, and Turkey.

January's exports of U.S. *livestock products* rose 18 percent in value to $445 million and 10 percent in volume to 186,000 tons from year-ago levels. Cumulative export figures show a slight decline in value (1 percent) to $1.8 billion but a 4-percent increase in volume to 832,000 tons. The top five markets for U.S. livestock products this year are Japan, the EC, South Korea, Mexico, and Canada.

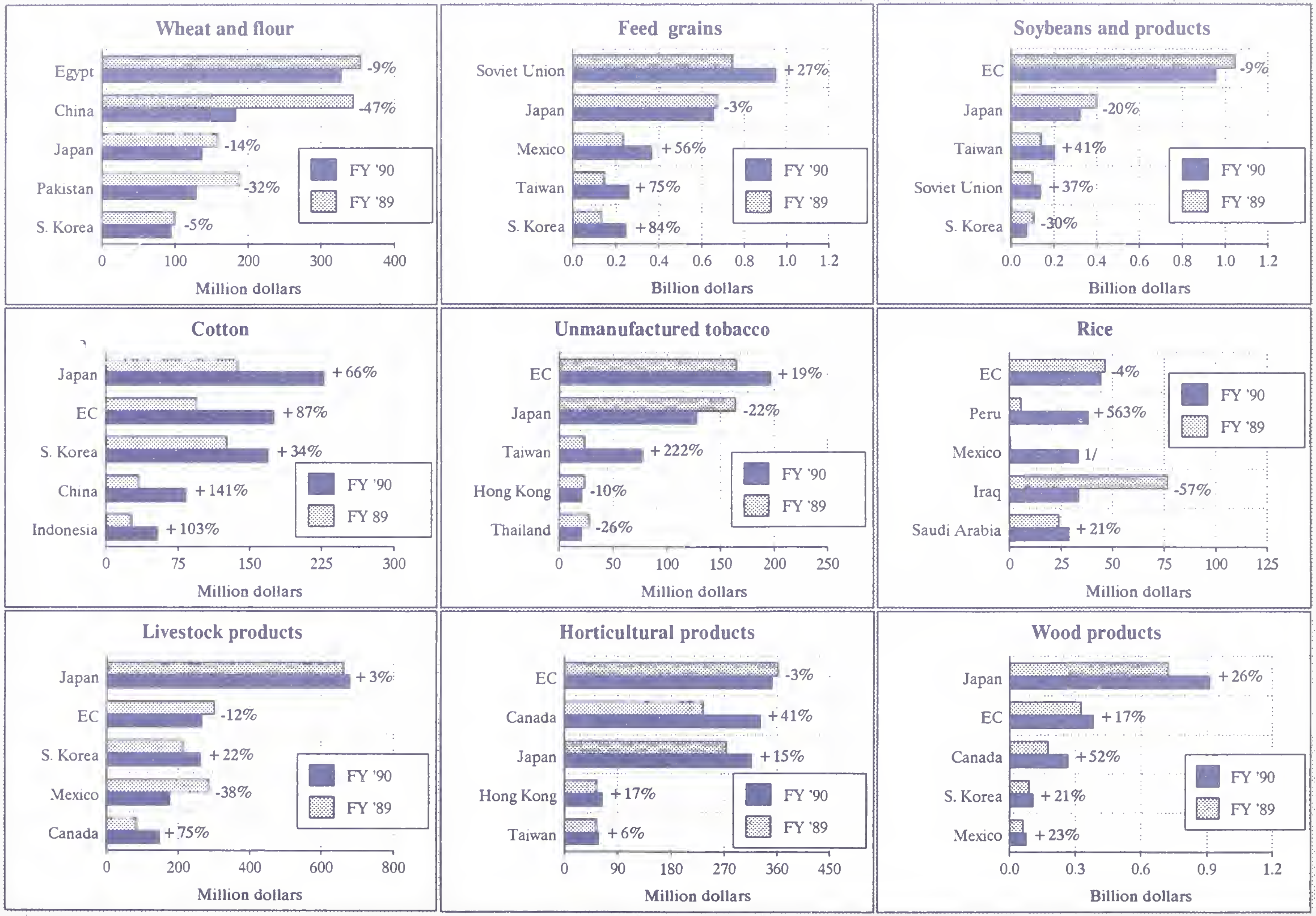
In January, U.S. exports of *horticultural products* advanced by $109 million, or 40 percent, over year-ago levels to $382 million. Increased exports to Canada accounted for more than 80 percent of the gain in this product sector. As noted on page 1, the United States began using Canadian import statistics to account for unreported U.S. shipments to Canada in January 1990. Traditionally, 60-70 percent of these unreported shipments have consisted of horticultural products. For the year-to-date, horticultural product exports have advanced 14 percent in value and 9 percent in volume from a year ago. The EC is the top market for U.S. horticultural products, followed by Canada, Japan, Hong Kong, and Taiwan.

U.S. *wood product* exports rose 43 percent to $557 million in January and 21 percent to $2.1 billion for the first four months of fiscal 1990 compared with year-ago levels. Most of the rise was attributable to sharp increases of exports of softwood logs and hardwood lumber. Japan, the EC, Canada, Korea, and Mexico are the major importers.

For more information, contact Emiko Miyasaka at (202) 382-9148.

Top Five Markets for Major U.S. Commodities

Year-to-date Comparisons



Note: Percentages are computed as the change from fiscal 1989 to fiscal 1990.
1/ Negligible exports reported during comparable period last year.

Consumer-Oriented and Intermediate Exports Rebound... Bulk Commodities Continue Modest Increases

Agricultural exports for the month of January registered significant gains in the *consumer-oriented* and *intermediate product* categories, and modest growth in the *bulk* product category.

These significant increases for the month are not representative of the trends for the first 4 months of fiscal year 1990. Cumulative-to-date fiscal year totals show bulk commodities up 8 percent to $8.34 billion, intermediate exports down 3 percent to $3.15 billion, and consumer-oriented exports up 7 percent to $2.86 billion.

For January, exports of consumer-oriented products totaled $712 million compared with last year's monthly total of $523 million, a significant increase of 36 percent. Tree nuts was the only major product to show a decline, down 18 percent to $43 million. Red meats increased 20 percent to $185 million, fresh fruits and vegetables increased 46 percent to $145 million, processed fruits and vegetables increased 47 percent to $99 million, and poultry meat increased 42 percent to $45 million.

These significant increases for the month are not representative of the trends for the first four months of fiscal year 1990.

Intermediate exports for January totaled $859 million compared with last year's monthly total of $727 million, an increase of 18 percent. Feeds and fodders increased 30 percent to $178 million, hides and skins increased 38 percent to $155 million, and planting seeds increased 98 percent to $88 million. These gains were somewhat offset by declines in soybean meal (down 22 percent to $114 million) and live animals (down 13 percent to $42 million).

Bulk commodity exports for January totaled $2.19 billion compared with last year's monthly total of $2.10 billion, an increase of 4 percent. Cotton showed a strong gain of 122 percent to $323 million, and corn increased 25 percent to $687 million. These gains were nearly offset by declines in soybeans (down 11 percent), wheat (down 32 percent), and tobacco (down 26 percent).

It should be noted that much of the gain in horticultural and livestock products is due to the adjustment in accounting by the Bureau of Census in reporting exports to Canada.

For more information, contact Kelly Kirby at (202) 382-1034.

U.S. Agricultural Exports by Major Processing Stage

January 1990 versus Month-ago and Year-ago

Major Products Exported	Jan. 1990	Month Ago	Year Ago	% Change From Dec.'89	% Change From Jan.'89
	-- Million $ --				
Bulk products	2,185	2,095	2,101	4%	4%
Corn	687	740	551	-7	25
Soybeans	472	407	531	15	-11
Wheat	347	362	508	-4	-32
Cotton	323	252	145	28	122
Tobacco	122	114	164	7	-26
Intermediate products	859	843	727	2	18
Feeds & fodders	178	174	137	2	30
Hides & skins	155	145	112	7	38
Soybean meal	114	111	146	2	-22
Planting seeds	88	80	44	10	98
Live animals	42	60	48	-30	-13
Consumer-oriented	712	617	523	15	36
Red meats	185	174	154	6	20
Fresh fruits & vegetables	145	99	100	46	46
Processed fruits & vegetables	99	87	68	14	47
Poultry meat	45	44	32	2	42
Tree nuts	43	48	53	-10	-18
Grand total	3,755	3,556	3,351	6	12

Source: TEID and the U.S. Bureau of Census.

Bulk commodities include wheat, rice, feed grains, soybeans, other unprocessed oilseeds, cotton, unmanufactured tobacco, planting seeds, and pulses.

Intermediate products are principally semi-processed products such as wheat flour, feeds and fodders, hops, oilseed meals, vegetable oils, hides and skins, animal fats, wool, and refined sugar. Live animals are also included.

Consumer-oriented products are fundamentally end-products that require little or no additional processing for consumption and include all items not listed in the above categories, such as fresh and processed horticultural products, fresh and processed meats, dairy products, table eggs, and bakery products.

January Imports Advance to $2.01 Billion, Large Gains Noted for Fruits and Vegetables

January's U.S. agricultural imports registered $2.01 billion, up 15 percent from December's figure of $1.75 billion and 3 percent over a year ago. Larger purchases of competitive products, especially fruits and vegetables, were responsible for the increase in import value. Competitive imports advanced 13 percent from January 1989 while noncompetitive imports plunged 18 percent.

This brings the 4-month fiscal year total to $7.44 billion, a 5 percent increase from October-January 1989. This year's higher cumulative import value was attributable to an 11-percent jump in the value of competitive imports which more than offset a 9-percent drop in noncompetitive imports. For the four-month period, competitive products totaled $5.58 billion compared with $1.85 billion for noncompetitive products.

Larger purchases of competitive products, especially fruits and vegetables, were responsible for the increase in import value.

Notable gains from year-ago levels were posted for a number of competitive imports. Vegetables registered the most significant gain, rising 59 percent in value as a result of a dramatic increase in the price of fresh vegetables, especially tomatoes, peppers, peas, and squash purchased primarily from Mexico.

Gains were also posted for other competitive imports including dairy and poultry products, up 28 percent; fruits and juices (mainly orange juice from Brazil), up 27 percent; beef and veal, up 3 percent; and wines and beer, up 1 percent. The only decline among the major competitive products was in pork, down 12 percent.

Significant declines from January 1989 were noted among the noncompetitive products. The biggest drop occurred for imports of rubber and allied gums, which fell 50 percent. The countries most affected by the decrease were Indonesia, Malaysia, Thailand, and Liberia. Imports of cocoa and coffee showed declines of 24 and 22 percent, respectively. Low world prices for these commodities was the primary cause of the slump in import values.

Increases from year-ago levels were recorded for several noncompetitive imports. Purchases of tea registered the sharpest increase (40 percent), followed by purchases of bananas and plantains (12 percent) and spices (10 percent).

Mexico and Guatemala posted the largest gains for the month with increases of 54 and 77 percent, respectively. Mexico benefited considerably from the higher import values for beef and fresh fruits and vegetables. Guatemala benefited from the higher import values for bananas and fresh fruits. Other large suppliers of agricultural products were the EC and Canada.

For more information, contact Kathleen Anderson at (202) 382-9055.

Noncompetitive imports do not compete with U.S. production and include: bananas/plantains, coffee (incl. processed), cocoa (incl. processed), rubber/allied gums, spices, essential oils, tea, and carpet wools. All other imports are classified as competitive.

U.S. Agricultural Imports by Major Product Sector

January 1990 versus Month-ago and Year-ago

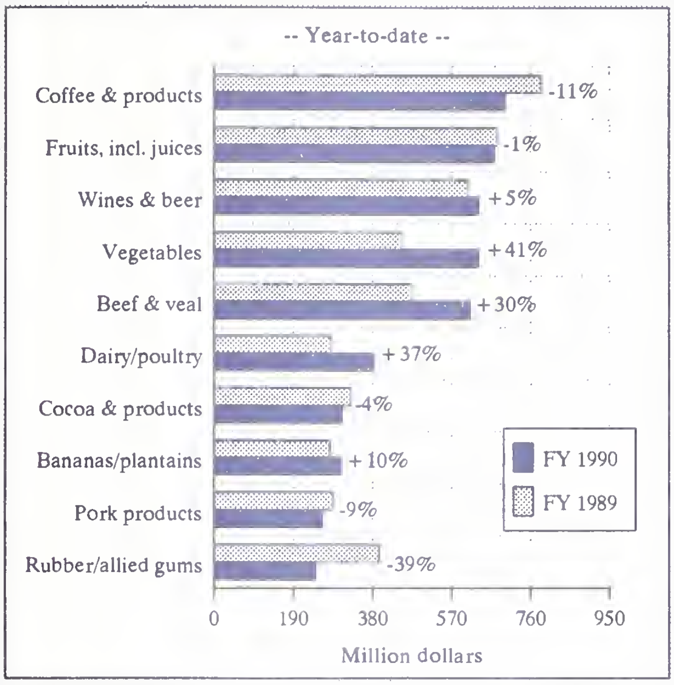
Import Category	Jan. 1990	Month Ago	Year Ago	% Change From Dec.'89	% Change From Jan.'89
	-- Million $ --				
Total competitive	1,514	1,348	1,334	12%	13%
Vegetables	322	139	203	132	59
Fruits, incl. juices	224	144	177	56	27
Beef & veal	168	160	163	5	3
Wines & beer	115	135	114	-15	1
Dairy/poultry	82	94	64	-13	28
Pork	61	65	69	-6	-12
Total noncompetitive	499	402	612	24	-18
Coffee & products	177	152	228	16	-22
Cocoa & products	93	61	122	52	-24
Bananas/plantains	83	70	74	19	12
Rubber/allied gums	59	52	119	13	-50
Spices	22	20	20	10	10
Tea	14	12	10	17	40
Total agri. imports	2,012	1,750	1,947	15	3

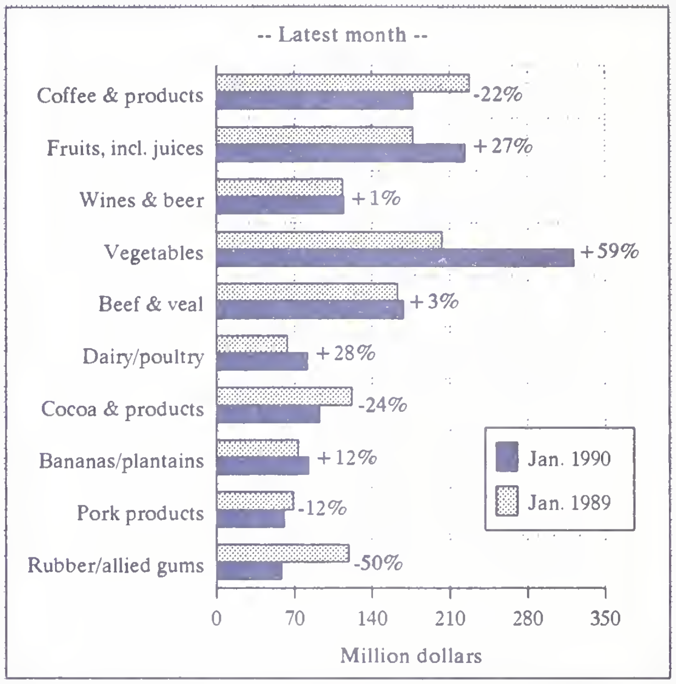
Source: Commodity Trade Analysis Branch, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

U.S. Agricultural Import Summaries

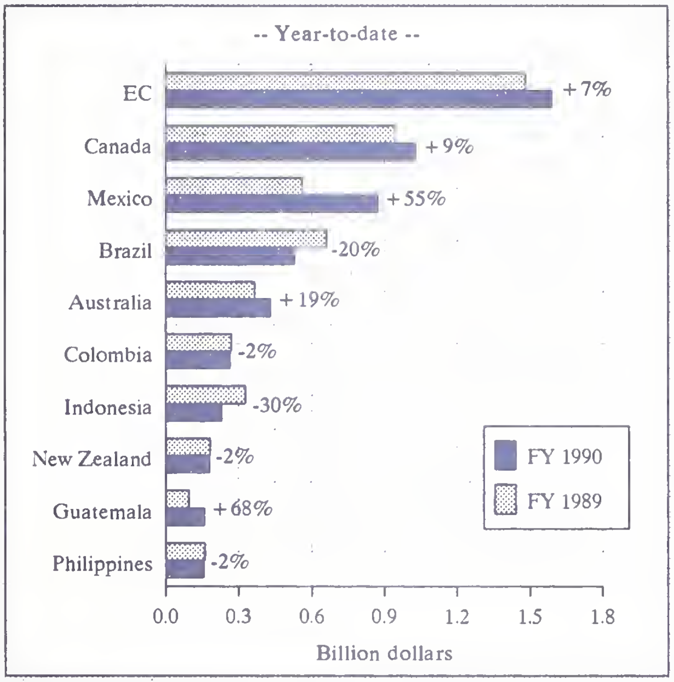
Year-to-date and Latest Month

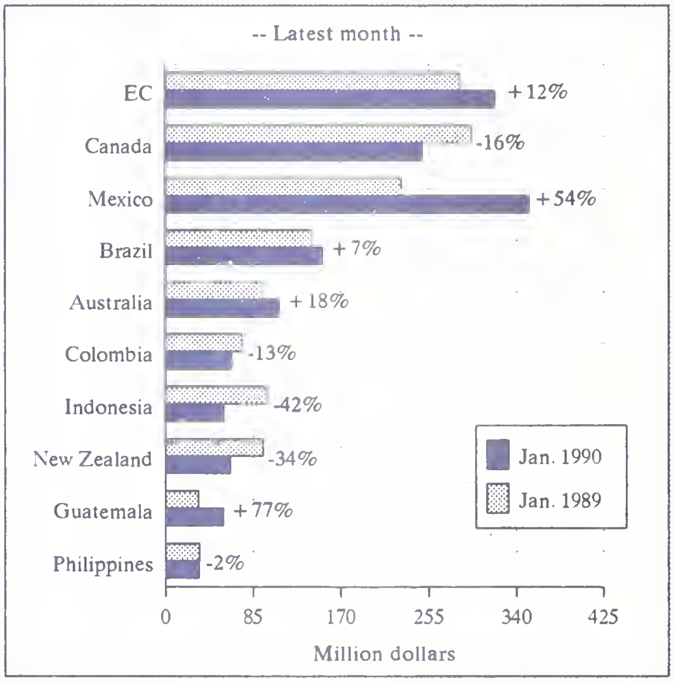
Product Summary





Top Ten Suppliers Summary





Note: Percentages are computed as the change from a year ago.

Recent Developments In Agricultural Trade

New Grain Agreement Reached With Soviet Union

The United States and the Soviet Union have reached agreement in principle on a new U.S.-Soviet Long-Term Grain Agreement (LTA), Secretary of Agriculture Clayton Yeutter and the U.S. Trade Representative Carla A. Hills announced on March 22. The new agreement, which takes effect on January 1, 1991 and extends over 5 years, specifies that annual shipments of U.S. wheat, feed grains, soybeans, and soybean meal to the Soviet Union will total at least 10 million tons. The current agreement specifies a minimum of 9 million tons each year.

Greater flexibility is provided to the Soviet Union in the new agreement. The agreement calls for annual purchases of at least 4 million tons each of wheat and feed grains. In any one year, however, the Soviet Union can substitute up to 750,000 tons of one commodity for the other. U.S. farmers are assured a stable market for at least 20 million tons each of wheat and feed grains, with a balance of 10 million tons that can be fulfilled with purchases of wheat, feed grains, soybeans, or soybean meal.

Beef Agreement Initialed With South Korea

The United States initialed an agreement with the Koreans during the third week in March on the section 301 investigation regarding beef import restrictions. U.S. industry (American Meat Institute, the Meat Export Federation, the National Cattlemen's Association, and the American Farm Bureau Federation) participated in an advisory capacity and in parallel discussions with the Korean industry throughout the last 3 days of negotiations.

The key elements of the agreement are: (1) a commitment that Korea will liberalize fully its beef market, consistent with its balance of payments liberalization commitment undertaken last fall under the General Agreement on Tariffs and Trade (GATT); (2) three years of transitional import quota levels which provide growth over 1989 quota and actual trade; and (3) the establishment of a system to provide for expanding direct access between buyers and sellers in the Korean market. (Levels of quotas, on a customs clearance basis, are: 1990 - 58,000 tons, 1991 - 62,000 tons, and 1992 - 66,000 tons.)

Promising Future for U.S. Ice Cream And Yogurt in Japan

U.S. exports of ice cream and yogurt to Japan increased significantly in 1989, and all signs point to substantial growth in U.S. sales over the next 2-3 years. As of April 1, 1990, Japanese import quotas on these two products will be lifted, although tariff rates ranging from 25 percent to 50 percent will be maintained. U.S. exports of ice cream to all countries have tripled over the past 5 years to $9.5 million, while U.S. yogurt exports have increased five fold to $2.9 million.

Solid Wood Exports Set New Record in 1989

U.S. exports of solid wood products in 1989 rose to a record $6.03 billion. Export values of hardwoods and softwoods increased 23 percent and 13 percent, respectively. Total log exports rose less than 6 percent with the log share of solid wood exports dropping nearly 3 percentage points to 39 percent. Japan was the dominant market, taking 47 percent of total solid wood exports. The top six markets accounted for 75 percent of the value total, while the top 12 accounted for nearly 90 percent. These markets, in order of importance, were Japan, Canada, South Korea, the United Kingdom, Mexico, West Germany, China, Taiwan, Italy, Australia, Spain, and Belgium.

Australian Raisin Crop Damaged by Adverse Weather

Unusually hot, dry weather in January has damaged Australia's 1990 raisin crop, according the the Agricultural Counselor in Canberra. Australia's raisin exports to its minor markets are likely to be reduced, but the four main markets, West Germany, Canada, the United Kingdom, and New Zealand, which account for about 80 percent of exports in normal seasons, are not likely to be affected.

Potential Seen for U.S. Cotton Exports To Eastern Europe

According to a recent wire service article, the Soviet Union reportedly informed its East European trading partners that Soviet cotton exports would be increasingly conducted on a cash basis rather than through "clearing accounts." This could result in increased U.S. cotton exports to this area given East Europe's shortage of foreign currency. Traditionally, Soviet cotton has been priced above comparable quality U.S. cotton. This may result in a diversification of East European nations away from their Soviet suppliers.

Total East European cotton imports for marketing year 1989/90 are estimated at 3.4 million bales. However, Hungary, Poland, and Yugoslavia are the only three East European nations that have Most Favored Nation (MFN) status which entitle them to buy U.S. cotton through the GSM program. U.S. export commitments as of February 8 to Hungary, Poland, and Yugoslavia were approximately 66,900 bales.

Prospects for U.S. Cotton Also Brighten in Asia

Prospects are also brightening for U.S. cotton elsewhere in the world. Recent indications from Hong Kong point to a strong turnaround in the bearish views held by spinners in early- to mid-1989. As a result, USDA's marketing year 1989/90 estimate of cotton imports by Hong Kong has been raised this month to 1.4 million bales. U.S. export commitments to Hong Kong as of February 22, 1990, totaled 149,100 bales, compared with 48,900 bales at the same date last year. USDA's forecast calls for U.S. cotton exports to Hong Kong to reach 160,000 bales for the 1989/90 marketing year.

In Indonesia, an expanding textile industry has stimulated demand for U.S. cotton. Garment and fabric exports have increased rapidly in recent years, spurred by Indonesia's cheap labor and continuing capital investment by major textile producers in the Far East. U.S. cotton exports to Indonesia are expected to reach a record level of 367,000 bales in marketing year 1989/90, up 17 percent from the previous year. The United States is expected to capture 30 percent of the Indonesian market this year.

U.S. and Japan Hold Fourth Session of Wood Products Talks

The United States and Japan held the fourth session of the Marketing Access Wood Products Talks on February 19 and 20 in Tokyo. There were three noteworthy events: (1) an earthquake shook the participants; (2) the United States presented a detailed proposal for resolving the issues; and (3) the Japanese side is now talking about possible ways to resolve the issues. In previous meetings, the Japanese message was that the differences could not be resolved.

Australia's Biggest Feedlot Hit with Disease Scare

Australia's largest feedlot and a smaller feedlot in the same area have reportedly lost nearly 5,000 head of cattle in early February due to botulism. The organism is thought to have been transferred in feed products. With both operations exporting around 80 percent of their production to Japan, the deaths are understandably causing concern among Japanese buyers. The situation apparently has been brought under control, as trade with Japanese and domestic dealers is set to resume shortly.

Turkey's Tobacco Support Prices Meet Strong Opposition

Turkey's tobacco monopoly, Tekel, recently announced maximum support prices for this year's tobacco crop. While the average price is 54 percent above last year's price, it is only 15 percent higher in U.S. dollar terms. Farmers blocked roads and attacked Tekel's offices to demonstrate their dissatisfaction with these prices. Turkish exporters are asking the Government to continue the tobacco export subsidy which is currently U.S. $0.45/kilogram. Turkey grows oriental tobacco which does not directly compete with U.S. tobacco exports.

New Brazilian Economic Program Upsets Soybean Markets

Brazilian President Fernando Collor de Mello announced a sweeping new package of economic reforms aimed at lowering the country's inflation rate. Included in the plan are wage and price controls, a sharp devaluation in the Brazilian currency, implementation of a floating exchange rate, and limits on bank withdrawals. The final impact on the soybean markets is uncertain. Initially, export prices were expected to fall as farmers stepped up sales to raise cash before the cruziero depreciated further. However, the economic uncertainty in Brazil has disrupted trade, and farmers appear to be holding their new harvest of soybeans until the direction of the market is clearer. Sources indicate it may take a month for the markets to adjust.

Brazilian Government Abolishes Sugar And Alcohol Institute

On March 16, President Collor de Mello abolished by decree the Sugar and Alcohol Institute (IAA), the state entity which had directed sugar and alcohol policy for the last 56 years. Unless the Brazilian Congress overrules or modifies this measure by April 15, this abolition will automatically remain in force. The government has not announced which entities will assume the responsibilities of the IAA. Also abolished were the Brazilian Coffee Institute and a multitude of other government entities.

Cigarette Exports Not Affected by Changes In Turkey's Prices

The Turkish Government increased the price of imported and domestic cigarettes in February. However, domestic cigarette prices rose by a higher rate than imported cigarettes. For example, Marlboro cigarettes climbed from 2600 Turkish Lira (TL) to 3100 TL, while the popular domestic Tekel 2000 jumped from 2000 TL to 2600 TL. Demand for American-blend cigarettes has increased considerably since the imported cigarette market opened in 1984. Consequently, Tekel (the Turkish tobacco monopoly) began producing Tekel 2000 (an American-blend cigarette) in late 1988. The recent price increases are not expected to have a significant impact on U.S. cigarette exports.

Recent Announcements For P.L. 480 and GSM Programs

On February 14, the People's Republic of the Congo signed a fiscal 1990 P.L. 480, title I agreement for $2 million worth of rice. In March, Senegal, Pakistan, and Romania signed Title I agreements. Senegal's agreement provides $5 million worth of rice. Pakistan will receive $80 million worth of vegetable oil, and Romania's agreement calls for $20 million worth of corn. Poland's title I agreement signed earlier this year was amended. Poland will receive $25 million worth of wheat under the amendment. To date, $480.4 million worth of agricultural commodities have been signed for under P.L. 480, Title I/III agreements in fiscal 1990.

On March 7, $12 million in credit guarantees for wheat sales to the Yemen Arab Republic were authorized under the GSM-102 program. As of March 9, authorized GSM-102 credit guarantees totaled $4.1 billion for the year, and $2.2 billion of guarantees have been approved. Under the GSM-103 program, $391 million of guarantees were authorized with $132 million approved.

Recent Change In Reporting Trade Statistics

Beginning in January 1990, the U.S. Bureau of the Census began using Canadian import statistics to adjust its export statistics to account for unreported U.S. shipments to Canada. This change in reporting explains much of a $200-million increase in U.S. exports to Canada for the month. In past years, U.S. agricultural exports to Canada have been underreported by about $1 billion a year. The magnitude of the trade discrepancy is illustrated by the following comparisons of U.S. export statistics to Canada for January 1990 versus January 1989: grains and feeds, up 151 percent; oilseed products, up 46 percent; livestock products, up 192 percent; and horticultural products, up 202 percent.

For more information, contact Ron Croushorn at (202) 382-9522.

Agriculture Was Top-Rated Industry in 1989

Of the 11 industries examined by the Foreign Agricultural Service (FAS) at the end of 1989, agriculture again presented itself as one of the year's top performers. The graphs on this page and the next clearly illustrate the importance of agriculture from a trade perspective relative to other industries.

Given its impressive performance in 1988, it should not be surprising that for yet another year agriculture measured well against other industries in terms of its exports, imports and its overall contribution to the U.S. merchandise trade balance.

At $40 billion, U.S. agricultural exports in calendar year 1989 composed 11 percent of the overall value of U.S. merchandise exports ($349 billion), and placed second only to industrial machinery in sales value. Although agricultural exports grew by $2.9 billion during the year, exports of industrial machinery grew by an even greater $5.8 billion. Currently agricultural exports are forecast at $38.5 billion for 1990, a decline of more than $1 billion from 1989. Therefore, barring other significant changes, it seems likely that agricultural products will rank second to industrial machinery for yet another year.

Contrary to the export scene, agricultural imports of $21.8 billion composed a relatively small share of total U.S. imports. For the third straight year, agricultural imports accounted for only 5 percent of the value of all merchandise imports ($468 billion).

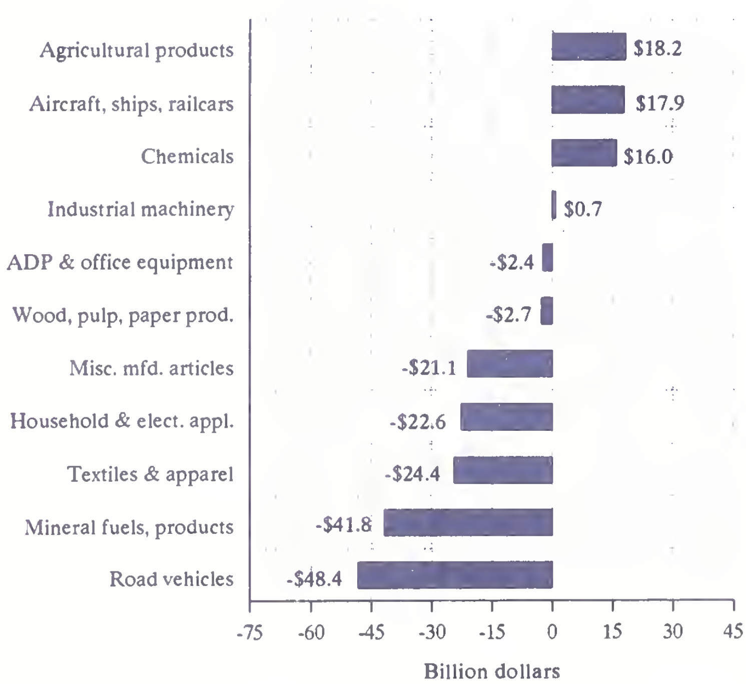
It is an interesting fact that although the nominal value of U.S. agricultural imports has been rising over the years, agriculture's share of total U.S. imports has fallen sharply in the four decades from 1950, when it reached almost 50 percent, to 1988, when it leveled out around 5 percent. Agricultural products could constitute an even smaller share of total imports in 1990 if imports of all other products continue to increase. This year agricultural imports are expected to fall slightly to $21.5 billion.

The combination of relatively strong agricultural exports and relatively weak agricultural imports has resulted in over three decades of agricultural trade surpluses. In 1989, the agricultural trade surplus measured a considerable $18.2 billion, and surpassed surpluses in all other industries. As in 1988, the only major industries with comparable trade surpluses were aircraft, ships and railcars ($17.9 billion) and chemicals ($16 billion).

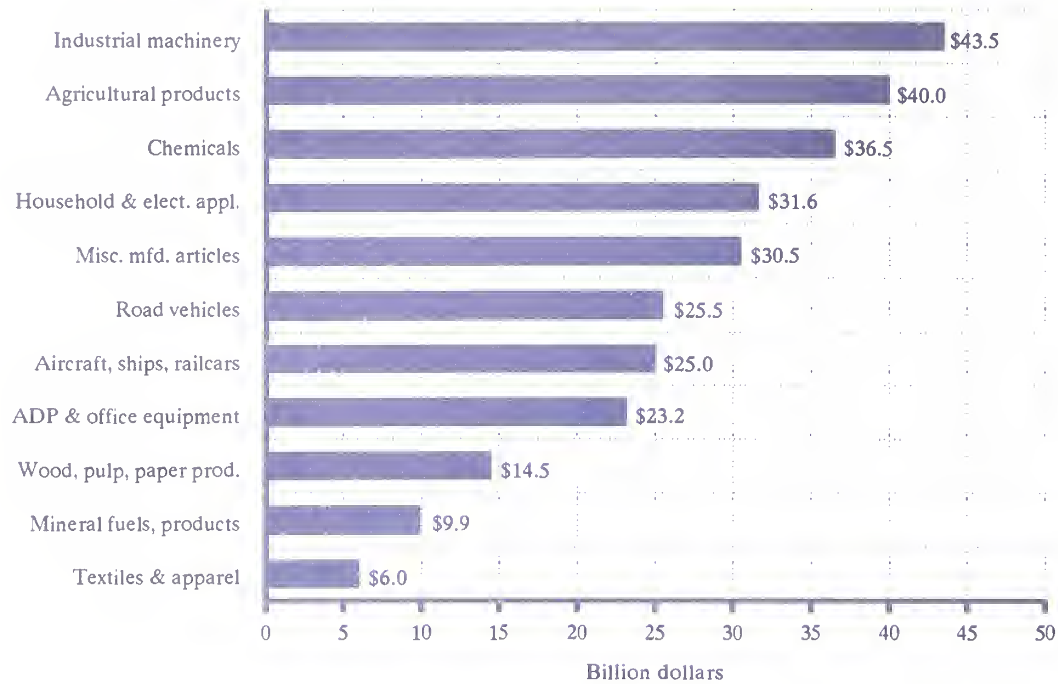
The most current forecast predicts that for 1990 the agricultural trade surplus will fall to $17 billion. At present it is too early to tell whether agricultural products will continue to lead other industries in positive contributions to the U.S. merchandise trade balance in 1990.

For more information, contact Kathleen Anderson at (202)382-9055.

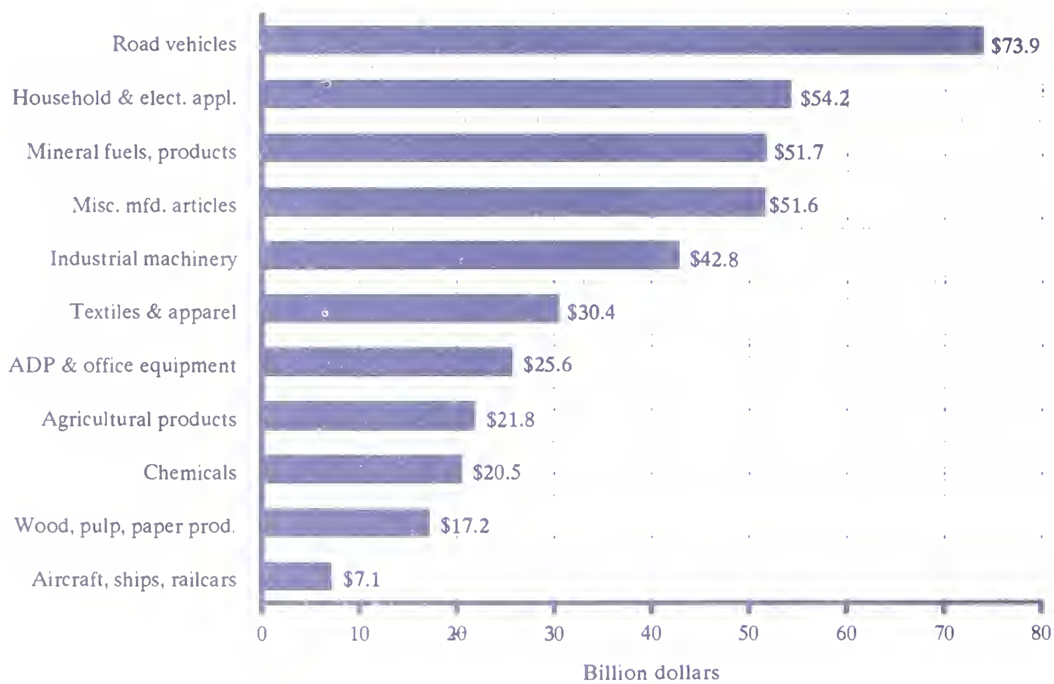
Agricultural Trade Surplus Contributes Most to 1989 Trade Balance



U.S. Exports of Agricultural Products Second Only to Industrial Machinery



Agricultural Products Still Account for Only 5 Percent of U.S. Imports



U.S. Agricultural Exports by Major Commodity Group

Year-to-date Performance Indicators and Fiscal 1990 Forecasts

	October–January			Fiscal Year		
	1988/89	1989/90		1989	1990 (f) 1/	
	-- Billion dollars --		% Change	-- Billion dollars --		% Change
Grains & feeds 2/	5.401	5.896	9%	17.098	16.1	-6%
Wheat	1.709	1.414	-17%	6.018	5.1	-15%
Wheat flour	0.076	0.085	11%	0.266	0.2	-25%
Rice	0.318	0.345	9%	0.956	0.9	-6%
Feed grains 3/	2.487	3.141	26%	7.403	7.3	-1%
Corn	2.115	2.723	29%	6.108	6.4	5%
Feeds & fodders	0.598	0.621	4%	1.822	NA	NA
Oilseeds & products	2.992	2.586	-14%	6.779	5.7	-16%
Soybeans	2.000	1.798	-10%	4.086	3.5	-14%
Soybean meal	0.544	0.357	-34%	1.290	0.9	-30%
Soybean oil	0.137	0.089	-35%	0.404	0.3	-26%
Other vegetable oils	0.118	0.129	10%	0.416	NA	NA
Livestock products	1.837	1.810	-1%	5.391	5.5	2%
Red meats	0.745	0.758	2%	2.327	NA	NA
Animal fats	0.183	0.164	-10%	0.524	NA	NA
Poultry products	0.244	0.251	3%	0.730	0.8	10%
Poultry meat	0.168	0.182	8%	0.513	NA	NA
Dairy products	0.170	0.096	-43%	0.489	0.5	2%
Horticultural products	1.345	1.530	14%	4.159	4.3	3%
Unmanufactured tobacco	0.510	0.535	5%	1.274	1.3	2%
Cotton & linters	0.550	0.937	70%	2.059	2.6	26%
Planting seeds	0.194	0.249	29%	0.498	0.5	0%
Sugar & tropical products	0.385	0.470	22%	1.190	1.3	9%
Wood products 4/	1.717	2.081	21%	5.876	NA	NA
Total agricultural export value	13.626	14.362	5%	39.668	38.5	-3%

	-- Mil. metric tons --		% Change	-- Mil. metric tons --		% Change
Grains & feeds 2/	36.441	42.350	16%	115.245	NA	NA
Wheat	10.954	8.694	-21%	37.775	33.0	-13%
Wheat flour	0.400	0.368	-8%	1.240	1.3	5%
Rice	1.033	1.053	2%	3.053	2.6	-15%
Feed grains 3/	19.962	27.949	40%	60.971	66.5	9%
Corn	16.942	24.517	45%	50.556	58.0	15%
Feeds & fodders	3.685	3.766	2%	11.005	11.0	0%
Oilseeds & products	9.328	10.324	11%	21.509	NA	NA
Soybeans	6.743	7.965	18%	14.111	16.1	14%
Soybean meal	1.883	1.607	-15%	4.655	4.2	-10%
Soybean oil	0.242	0.185	-24%	0.754	0.7	-7%
Other vegetable oils	0.186	0.217	17%	0.683	NA	NA
Livestock products 5/	0.799	0.832	4%	2.508	NA	NA
Red meats	0.250	0.275	10%	0.807	0.9	12%
Animal fats	0.461	0.455	-1%	1.369	1.4	2%
Poultry products 5/	0.148	0.181	23%	0.483	NA	NA
Poultry meat	0.142	0.177	25%	0.465	0.6	29%
Dairy products 5/	0.106	0.058	-46%	0.353	NA	NA
Horticultural products 5/	1.265	1.373	9%	3.799	3.9	3%
Unmanufactured tobacco	0.083	0.090	8%	0.258	0.2	-22%
Cotton & linters	0.407	0.581	43%	1.491	1.7	14%
Planting seeds	0.133	0.190	43%	0.497	NA	NA
Sugar & tropical products 5/	0.273	0.309	13%	0.933	NA	NA
Total agricultural export volume 5/	48.982	56.290	15%	146.771	148.5	1%

NA = Not available.

1/ Export forecasts are from February 27, 1990, "Outlook for U.S. Agricultural Exports."
2/ Includes pulses and corn gluten feed and meal.
3/ Includes corn, oats, barley, rye, and sorghum and products.
4/ Wood products are not included in agricultural product value totals.
5/ Includes only those items measured in metric tons.

Source: U.S. Bureau of the Census and February 27, 1990, "Outlook for U.S. Agricultural Exports."

Weekly Quotations for Selected International Prices 1/

Dollars per metric ton	Week of 3/21/90	Month ago	Year ago
Wheat (c.i.f. Rotterdam) 2/			
Canadian No. 1 CWRS 13.5%	193	197	218
U.S. No. 2 DNS 14 %	175	185	192
U.S. No. 2 SRW	180	183	196
U.S. No. 3 HAD	178	176	200
Canadian No. 1 durum	186	186	210
Feed Grains (c.i.f. Rotterdam) 2/			
U.S. No. 3 yellow corn	129	126	141
Soybeans and Meal (c.i.f. Rotterdam) 2/			
U.S. No. 2 yellow soybeans	246	240	323
U.S. 44 % soybean meal	NQ	NQ	290
Brazil 48 % soy pellets	211	218	285
U.S. Farm Prices 3/ 4/			
Wheat	127	134	166
Barley	85	80	118
Corn	94	90	107
Sorghum	81	78	96
Broiler 5/	1,338	1,338	1,291
Soybeans 6/	220	213	287
EC Import Levies			
Common wheat	116	118	131
Durum wheat	153	149	NA
Barley	97	95	124
Corn	110	110	140
Sorghum	116	115	152
Broilers	282	280	NA
EC Intervention Prices 7/			
Premium wheat	152	150	208
Common wheat	149	147	198
Feed wheat	142	140	198
Maize	149	147	208
Barley	142	140	198
Sorghum	142	140	198
Broilers	946	938	NA
EC Export Restitution (subsidies)8/			
Common wheat	65	62	64
Barley	72	71	69
Broilers	347	344	NA

NQ = No quote. NA = Not available. Note: Changes in dollar value of EC import levies, intervention prices, and export restitutions may be the result of changes in $/ECU exchange rates.

*1/ Mid-week quote. 2/ Asking price in dollars for imported grain and soybeans and soybean products, c.i.f. Rotterdam for nearby delivery. 3/ Five-day moving average. 4/ Target price for current marketing year in $/metric ton: wheat, $151; barley, $112; corn, $112; sorghum, $106; soybean loan rate, $166. 5/ Composite 12-city weighted average price for trucklot sales to be delivered to first receiver. 6/ Central Illinois processors bid to arrive. 7/ Buy-in equals 94% of intervention price plus full value of monthly increments. 8/ Figures represent restitutions awarded nearest to the listed dates, * denotes no award given since the previous month.*

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